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PROGRAM Good Morning America

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SUBJECT Soviet Spies in the U.S.

Our country's trump card in the arms control talks coming up with the Soviet Union is high technology, superior technology. The Soviets know that, and they have tried over the years to get American secrets by any means possible. Unfortunately, they have sometimes found Americans who were all too willing to help them.

Kenneth Walker takes a look at the Soviet agents inside our borders.

ARKADY SHEVCHENKO: We have no control over them, because, unfortunately, they are at the United Nations, they can have as much people as they want to the Soviet mission to the United Nations.

KENNETH WALKER: Top Soviet defector Arkady Shechenko knows what he's talking about when he claims that hundreds of KGB agents operating as diplomats scour the United States trying to beg, buy or steal classified government and sensitive commercial information.

MAN: So you're a spy.

WALKER: But what was illustrated by this new movie about a young employee in Silicon Valley, California is that a growing number of Americans are willing to help the KGB out. In the past five years, 22 persons have been charged with espionage here, including six Americans, more than at any time before. One of them, Richard Miller, arrested last October, was a member of the FBI's elite counterintelligence squad.

Unlike post-World War II spies, such as Americans who

gave the Soviets our nuclear secrets, the primary motivation today, officials say, is not ideology, but money.

Thomas P. Cavanaugh, who worked for a defense contractor in Los Angeles, is a case a point. For \$25,000, Cavanaugh tried to sell the Soviets the classified plans for technology to be used in the next generation of American fighter planes and bombers. He was foiled by an FBI sting.

FBI Director William Webster says that foreign counterintelligence is the Bureau's top priority. That work takes up the largest share of the FBI's budget.

But while the number of arrests is expected to continue to increase, investigators believe that with more Americans with access to valuable information and with an apparent decline in ideological resistance to the Soviets, that many more American spies are still active, and that some of them may never be caught.

HARTMAN: A number of federal officials and private citizens have involved themselves in the effort to block Soviet access to our technology. And joining us this morning in Washington are, first, Ted Wu. He is the Deputy Assistant Secretary for Export Enforcement at the Commerce Department. Edward O'Malley, Assistant Director of the FBI Intelligence Division. John McGuire, Chairman of a computer company called Software A.G. He was approached by a Soviet agent in 1979, promptly reported it to the FBI. He'll tell us more in a moment. And Stanislav Levchenko. He is a former major in the Soviet KGB. He defected to the United States in late 1979.

Gentlemen, good morning, and thank you for joining us this morning.

Mr. Wu, first of all, how serious do you consider the threat of the Soviets trying to acquire our technology?

TED WU: Oh, I think, to be truthful, I think we have to say that the damage that has already been done is incalculable. When we measure the seriousness of illegal technology transfer to the Soviet Union and her satellite countries for military applications, we have to consider not only the dollar value involved in the particular pieces of equipment and the systems that are actually transferred, but more important is the fact that we have to consider the consequential effect of the illegal transfer of technology.

How do you put the dollar value on the damage that could be done to the United States, our national security, and possibly the lives of men and women that we send to the front, that we

assign to defend our country?

Not only that, the hundreds of millions of dollars that the taxpayers spent on research and development for military hardware, for sensitive technologies, when we lose that value, it is also a value gained by the other side.

Not only that, we would also have to spend money on developing countermeasures.

So, it is really incalculable insofar as our damage is concern.

HARTMAN: Mr. Wu, excuse me. Give me an example of one of these pieces of technology, would you, that's gone to the Soviets that we know about?

WU: We know, as a matter of fact, because I personally was involved in the prosecution of the case not too long ago involving the illegal transfer of high-energy laser optics. Now, these laser optics that were transferred to the Soviet Union were designed and susceptible for use with high-energy laser. We are now, we are now in an age of laser and sensitive electronics, so far as modern warfare is concerned. We know, as a matter of fact, that those sophisticated laser mirrors were illegally transferred to the Soviet Union. And during the time of the transfer, similar mirrors were used by our own military establishment. The United States Air Force were conducting research and development involving configurations and specifications of the mirrors transferred over.

HARTMAN: Mr. O'Malley, how tough is it for the FBI? We just heard in Kenneth Walker's report that it's a top priority of Judge Webster and the FBI, the whole business you're in. How tough is it to stop this technology business from going over?

EDWARD O'MALLEY: Well, as the Director said, it is one of our top investigative priorities. The other side -- and I'm talking about, essentially, the Warsaw Pact and others -- are a very, very sophisticated group of intelligence services.

On the other hand, we, over the past few years, have substantially increased and enhanced our capabilities against that threat. I'm talking about both people and equipment.

It is tough. It is a very, very difficult target. But I have reason to believe that we have been fairly successful during the past few years and have managed to hurt the other side severely.

HARTMAN: How does this stuff get there? Is it just

sold. Is it just -- or is it diverted, or what? What's the usual route?

O'MALLEY: Well, in our area of jurisdiction, we're talking essentially about espionage and we're talking about Americans who, for one reason or another, primarily money, have decided to sell their secrets to the United States -- from the United States to the Soviet Union and others.

To recruit an American, a Soviet intelligence officer or a Czech intelligence officer, or the others, have to be in contact with that particular American target. And there are many, many ways that they utilize to come in contact. Once they get into contact, there's a very set pattern that the Soviets utilize to recruit an American. The first state, of course, would be the acquaintanceship stage. From there it goes into the developmental stage, where he assesses the American target. The third state, if he has developed a weakness in that American which is exploitable, then it will go into the recruitment or covert stage. And during this period is the time when the American will receive very sophisticated training in intelligence tradecraft.

HARTMAN: Mr. McGuire, you've been through all this. You were approached by a Belgian in 1979 representing the Soviets. I understand he was trying to get your company's, what, top secret computer codes. Correct?

JOHN MCGUIRE: It was a database management system called Database.

HARTMAN: What did they say to you? What did they say to you, and what'd you do?

MCGUIRE: Well, this man was strictly a mercenary, as far as I could conclude, and he assumed that everyone else would be too. And as far as I know, he had no indication that I'd contacted the FBI and worked under their guidance for about seven months.

HARTMAN: And ultimately, what happened with him?

MCGUIRE: He was arrested and faced potential sentences of about 40 years in jail. But -- I was ready to testify in court, but they made a bargain, struck a bargain, and he got off with just a few months, which annoyed me quite a bit.

HARTMAN: All right.

When we come back -- let's break for a commercial.

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HARTMAN: We're talking about how the Soviet Union and their representative try to get American technology into their country. We're going to talk now with Stanislav Levchenko. He's formerly a KGB agent. He didn't actually work in this particular area, but knows about it.

What should Americans, either business people or people in technology, what should they watch out for? What are the signs, the signals that would come from somebody representing the KGB or the Soviets regarding getting technology over? What should we watch out for?

STANISLAV LEVCHENKO: First of all, in my point of view, what is very important is awareness of what the whole thing is about. You know, awareness of the fact that the Soviet Union has the largest scientific and technological intelligence, probably in the history of civilization.

The officers are very well educated. They are real professionals. They're engineers, doctors, and so on. And all of them, practically, have fairly good knowledge of the country where they are assigned.

So, the recruitment approaches usually are also very sophisticated. I agree with the opinion that most of recruitments are for money. At the same time, what is very dangerous is so-called false-flag recruitment, when the Soviet intelligence officer recruits a national of different country, and then, in turn, that national recruits the engineer or researcher or businessman in the third country, under the flag of his country, not under Soviet flag. So sometimes, you know, people in the Free World, they consider, you know, nationals of other countries, NATO countries, other countries, you know, as really close friends. And it is exactly true.

However, I would strongly recommend for people to be cautious, I would say, reasonably cautious about some contacts, when foreigner strikes, you know, very nice, friendly relationship, and then in a while starts squeezing certain secrets out of his contact.

HARTMAN: Very well.

Briefly, Mr. Wu, what can you tell us? What's your message to American business people?

WU: Well, I think we would underscore the fact that the government is doing something about it. When President Reagan first entered office, he was quite aware of the problem. He signaled to all the agencies involved that we really had to gear up. Responding to this call, Secretary Baldrige.

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HARTMAN: Mr. Wu, excuse me for interrupting. Let's break for a commercial, and then we'll come back and talk some more.

[Concluding segment not broadcast on WJLA-TV]